(c) what are Government's expectations during current fiscal year indicating the likely inflows by the end of March this year?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL POLICY AND PROMOTIONS, MINISTRY OF COMMERCE AND INDUSTRY(SHRIASHWANI KUMAR): (a) and (b) The policy on Foreign Direct Investment (FD'I) is reviewed on a continuing basis through an inter-ministerial consultation process. The recent review of the FDI policy covered Petroleum and Natural Gas; Civil Aviation; Commodity Exchanges; Credit Information Companies; Mining of Titanium bearing minerals and ores and its value addition; and Industrial Parks.

(c) FDI inflows depend on various factors including *inter-alia,* the macro-economic policy framework of the host country, investment policy of trans-national corporations and commercial considerations of the investor. No target is yet fixed for FDI inflows during this financial year. During the fiscal year 2007-2008 (till February 2008), FDI equity inflows of US$ 20.1 billion were received.

Conversion of EPZs into SEZs for tax benefits

*431. SHRI RAJNITI PRASAD: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government is aware that many Export Processing Zones (EPZs) have been converted into Special Economic Zones (SEZs) only for tax benefits; and

(b) if so, how does Government justify increase of exports, production and employment due to SEZs?

THE MINISTER OF COMMERCE AND INDUSTRY(SHRI KAMALNATH): (a) Eight Export Processing Zones, of which 7 were set up by the Central Government, were converted into Special Economic Zones (SEZs) after the Special Economic Zone Policy announced in April, 2000. Fiscal incentives of similar nature were available to the units set up under the erstwhile Export Processing Zones.

(b) Since the coming into force of SEZ Act, 2005 and SEZ Rules, 2006, SEZs have provided incremental employment to 1,76,668 persons and generated incremental investment of Rs. 71090.10 crore. Exports from SEZs have been constantly on the increase, registering a growth of 366% over the last four years. Whereas exports from SEZs in the year 2006-07 was Rs. 34615 crore, registering a growth of 52% over the previous year, in the year 2007-08 exports from SEZs was of the order of Rs.64,623 crore registering a growth rate of 87%. Further, out of the total physical exports of Rs. 64,623 crore in the year 2007-08, exports worth Rs. 25,368 crore came from the Special Economic Zones other than the ones set up by the Central Government.

Loss due to Tsunami and funds allocated and spent

*432. SHRI MOINUL HASSAN: Will the" Minister of HOME AFFAIRS be pleased to state;

(a) whether Government is aware that more than three years after the Tsunami, only about one-fourth of the funds allocated have been spent;